

CASE

NUMBER:

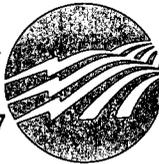
99-390

HISTORY INDEX FOR CASE: 1999-
JACKSON ENERGY COOPERATIVE
Rates - NRC
MISCELLANEOUS CHARGES

IN THE MATTER OF THE NOTICE OF ADJUSTMENT OF MISCELLANEOUS
CHARGES FILING OF JACKSON ENERGY COOPERATIVE

SEQ NBR	ENTRY DATE	REMARKS
0001	10/19/1999	Def. letter, info due 11/3
M0001	11/03/1999	SHARON CARSON JACKSON ENERGY-RESPONSE TO FILING DEFICIENCIES
0002	12/02/1999	Order suspending tariff to May 2, 2000
0003	12/13/1999	Order issuing data request; response due 12/23
0004	12/16/1999	Def. cured letter
M0002	01/18/2000	SHARON CARSON JACKSON ENERGY-REQUEST FOR EXTENSION OF TIME
0005	01/26/2000	Order granting motion for ext. of time; info now due 1/28
0006	02/18/2000	FINAL ORDER APPROVING NON-RECURRING CHARGES

JACKSON ENERGY



COOPERATIVE

US HWY 421S • PO Box 307, McKee, Kentucky 40447

Telephone (606) 287-7161 • Fax (606) 287-7168

January 14, 2000

RECEIVED
JAN 18 2000
PUBLIC SERVICE
COMMISSION

Ms. Helen C. Helton
Executive Director
Public Service Commission
PO Box 615
Frankfort KY 40602

RE: Case No. 1999-390

Dear Ms. Helton:

This letter is to follow up with Jackson Energy Cooperative's January 10th letter requesting a time extension to respond to the Commission's request for additional information for Case No. 1999-390. Since that letter did not request a specific period of time, we received a call from the Commission.

Jeff Shaw and I discussed a time extension of 14 days from today. Therefore, Jackson Energy Cooperative should have all of the information to the Commission by January 28, 2000. Please consider and grant this time extension. Thank you so much for your help in this matter.

Sincerely,

Sharon K. Carson
Manager of Finance and Accounting

c: Jeff Shaw



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-390
JACKSON ENERGY COOPERATIVE

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on February 18, 2000.

Parties of Record:

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY. 40447


Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF ADJUSTMENT OF)
MISCELLANEOUS CHARGES FILING OF) CASE NO. 99-390
JACKSON ENERGY COOPERATIVE)

O R D E R

On September 17, 1999, Jackson Energy Cooperative ("Jackson Energy") tendered for filing an application for authority to revise its tariffs and increase its non-recurring miscellaneous charges effective November 1, 1999. Jackson Energy was notified by letter that its application did not meet the minimum filing requirements. The deficiencies were then cured and the application accepted for filing on November 3, 1999. The Commission, upon finding that further investigation was necessary to determine the reasonableness of the revised tariffs, suspended the revised tariff for 5 months up to and including May 2, 2000.

The Commission requested additional information and Jackson Energy filed its response on January 20, 2000.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Jackson Energy proposed a \$55,476 increase in revenues from non-recurring miscellaneous charges, which would result in an increase in its TIER from 1.56 to 1.57.

The Commission finds that the increase is reasonable, is fully supported by cost analyses, and will not result in an unreasonable level of additional earnings.

2. Jackson Energy's current tariff sets forth fees for inspecting properties for compliance with applicable electrical codes. As part of its response on January 20, 2000, it indicated that these inspections are also performed by other companies and electricians in its service area. Jackson Energy's response further requested that since these inspections are not a monopoly service, the charge should be removed from its tariff. These inspections need not be performed by a utility and the fees are not subject to the jurisdiction of the Commission but are established by KRS 227.487. Therefore, this is not a utility service as defined by KRS 278.010(13) and the inspection fees may be withdrawn, but the requirement that the inspection be performed should be retained.

IT IS THEREFORE ORDERED that:

1. The non-recurring charges in Appendix A are approved for service rendered by Jackson Energy on and after the date of this Order.
2. The electrical inspection fees set forth in Paragraph 20 of Jackson Energy's tariff are cancelled.
3. Jackson Energy shall file within 30 days of the date of this Order its revised tariff sheets setting out the non-recurring charges and tariff changes approved herein.

Done at Frankfort, Kentucky, this 18th day of February, 2000.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Moe J. ...", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-390 DATED FEBRUARY 18, 2000

The following rates and charges are prescribed for the customers served by Jackson Energy Cooperative. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MISCELLANEOUS CHARGES

Returned Check Charge	\$18
Connect & Reconnect Charge	25
Special Charge	25
Overtime Charge	60
Meter Test	35



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

January 26, 2000

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY. 40447

RE: Case No. 1999-390

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie J. Bell
Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF JACKSON ENERGY)
COOPERATIVE FOR APPROVAL OF) CASE NO.
AN ADJUSTMENT TO ITS) 99-390
MISCELLANEOUS CHARGES)

O R D E R

Jackson Energy Cooperative having moved for an extension of time until January 28, 2000 in which to submit its response to the Commission's December 13, 1999 Order and the Commission finding good cause, IT IS HEREBY ORDERED that the motion is granted.

Done at Frankfort, Kentucky, this 26th day of January, 2000.

By the Commission

ATTEST:


Executive Director

JACKSON ENERGY



COOPERATIVE

US HWY 421S • PO Box 307, McKee, Kentucky 40447

Telephone (606) 287-7161 • Fax (606) 287-7168

January 18, 2000

RECEIVED
JAN 20 2000
PUBLIC SERVICE
COMMISSION

Ms. Helen C. Helton
Executive Director
Public Service Commission
PO Box 615
Frankfort KY 40602

RE: Case No. 99-390

Dear Ms. Helton:

Jackson Energy Cooperative has completed the responses to the Commission's questions in its order dated December 13, 1999. This order relates to Case No. 99-390. Enclosed is the original plus the ten copies.

Sincerely,

Sharon K. Carson

Sharon K. Carson
Manager of Finance and Accounting

c: Jeff Shaw

Witness: Sharon Carson

Witness: Alan Zumstein

Item 1 (a) Source of the number of minutes and mileage used.

Return Check

When a check is not honored by the bank and is returned, the check is stamped "VOID". The name and account number are verified and the account number is written on the return check listing sheet from the bank. A copy of the return check listing sheet from the bank is made for Service Representatives or the branch office Cashiers, and the original is given to Accounting Department. The copy is placed in a return check envelope by the Service Representative. The return check envelope has all required information concerning the account.

If the phone number is listed on either the check or computer, the consumer is called and advised of the return check. If no number is available, then the check is mailed to the consumer with a letter of notification.

The Service Representatives then enter the return check to the consumers' account and the service charge is generated for that account. At the end of the month, the return checks are summarized and used to reconcile the subsidiary accounts receivable records with the controlling general ledger account.

The Accounting Department maintains a list of return checks, and matches each with the listing on the monthly bank statement. If the check has been subsequently paid by another check, these are marked off the list. If the return check has not been paid, then the total return checks are recorded as an adjusting entry.

Per discussions with all parties involved, 40 minutes is the minimum time it takes to process and account for returned checks.

Office Clerical labor for all miscellaneous charges

Customer Service Representative prepares job order with all information into the computer system for each service and gives to the Operations Superintendent to route to the Service Men. A copy of the job order is filed in a pending folder until the job is completed. The completed job ticket is returned to the Customer Service Representative to match with the pending job order and file in the consumers' folder.

Office Clerical labor for all miscellaneous charges (continued)

The Service Representatives then enter the completed information to the consumers' account and the service charge is generated for that account. At the end of the month, the service charges are summarized and used to reconcile the subsidiary accounts receivable records with the controlling general ledger account.

This takes approximately 20 minutes per each job order.

The time required is based on conversations with the parties involved in each process.

Labor for service men for connect/reconnect and special charge (regular)

The Operations Superintendent receives all the job tickets and sorts by route or service location. The sorted job tickets are given to the Service Men to perform the work.

The service men goes to the consumer's premises to perform the service as indicated on the job ticket. When the service is completed, the work performed is entered on the job ticket for actual information for any changes or notations encountered at the premises. While at the consumer's premises, the meter is always read.

Per discussions with the parties involved, it takes the service men approximately 30 minutes for each trip, including the time to prepare the completed paper work, plus several minutes for the Operations Superintendent for each of the job tickets.

Labor for overtime charges

Includes the same processes as for regular time. The differences are that jobs can not be coordinated with other jobs either by route or by service location since these are isolated occurrences. Also, each charge after hours requires the use of two (2) service men. With two (2) service men, the time required usually does not take twice as long as one (1) service man.

Since after hour trips are isolated, that is the reason for the mileage to be doubled from regular hours.

Labor for meter tests

Requires a regular trip charge for the service men.

The meter is pulled by the service men, brought to the meter department where the meter technician tests the meter. The results of the tests are mailed to the consumer.

Per discussions with the meter department, it requires approximately thirty (30) minutes to test the meter and record the results for mailing to the consumer.

Labor for inspections

Requires two (2) regular trip charges for the service men.

There is an initial inspection then a final inspection required for each job. If the initial inspection does not pass inspection, or is rejected, the inspector writes out the reason for the rejection.

The inspectors spend approximately fifteen (15) minutes per each inspection per discussions with the inspectors and others involved.

Miles driven for each service

Per discussions with the Operations Superintendent and service men, it is estimated that each trip is approximately 20 miles, but probably less. Therefore, 15 miles per trip was used.

Item 1 (b) Source of numbers used in other cost based on labor.

Total labor for the twelve months	<u>4,273,299</u>	
	Amount	Percent
Retirement plan	345,135	8.08%
FICA	326,907	7.65%
Federal and state unemployment	5,127	0.12%
Worker's compensation	105,818	<u>2.48%</u>
		<u>18.32%</u>

The above numbers were actual amounts for the twelve months ended February 28, 1999. This corresponds to the annual audit. Also, the worker's compensation rate should be 2.48%,a and not 0.25%. This was the result of a decimal slip in the original calculation.

Item 1 (c) How the \$.35 per mile was computed.

The vehicles that are used by the service men who generally perform the above functions were used. Jackson Energy keeps the miles driven per month per each vehicle and accumulates the costs per month. Below is listed those vehicles, miles driven, total monthly expenses and the cost per mile.

<u>Vehicle Number</u>	<u>Miles Driven</u>	<u>Total Monthly Expense</u>	<u>Cost Per Mile</u>
52168	2,762	967.90	\$0.35
52645	2,280	743.89	0.33
60020	2,730	952.45	0.35
60029	<u>1,885</u>	<u>706.38</u>	<u>0.37</u>
	<u>9,657</u>	<u>3,370.62</u>	<u>\$0.35</u>

Item 1 (d) Why overtime charge for "Office Clerical" includes Direct Wage Expense and Other Direct Cost.

The clerical labor for overtime charges is performed by the office personnel during regular working hours on the next business day. Therefore, the direct wage expense and other direct cost should apply to the office clerical labor.

Information request dated December 13, 1999

Witness: Sharon Carson

Witness: Alan Zumstein

Item 2 (a) Are inspection services offered by any other company or electrician in the area?

Yes there are other companies and electricians who can, and do perform inspections in the area.

Item 2 (b) If this is not a monopoly service, does Jackson Energy want to continue including this charge in its tariff?

Since performing inspections is not a monopoly service, Jackson Energy requests that it be allowed to remove this charge from its tariffs. This will be included in this filing and will be reflected at such time that this Commission approves the rates requested in this filing.

Witness: Sharon Carson

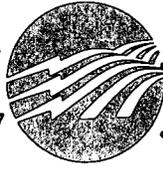
Witness: Alan Zumstein

Item 3 Notice of rates in the Kentucky Living magazine.

The amounts in the Application are the correct dollar increase and percentage increase.

The Inspection Charge was inadvertently omitted from the notice in the Kentucky Living magazine.

JACKSON ENERGY



COOPERATIVE

US HWY 421S • PO Box 307, McKee, Kentucky 40447

Telephone (606) 287-7161 • Fax (606) 287-7168

RECEIVED

JAN 11 2000

PUBLIC SERVICE
COMMISSION

January 10, 2000

Ms. Helen C. Helton
Executive Director
Public Service Commission
PO Box 615
Frankfort KY 40602

RE: Case No. 1999-390

Dear Ms. Helton:

The purpose of this letter is two-fold. The first is to ask for a time extension to respond to the December 13, 1999, order issued by the Commission. The second is to beg forgiveness for an oversight of the response date requested in your letter.

In the busy time period toward the end of the year when we were dealing with a personnel change in the position of President and General Manager, closing out year-end processes and reconciling inventory, plus dealing with the Y2K issue, we failed to notice the ten day response that was requested.

Thank you for your consideration of our request and we hope that this oversight will not delay the process. As the filing shows, the Cooperative's overall membership suffers when we do not charge the actual cost of providing the services included in this case.

Sincerely,

Sharon K. Carson

Sharon K. Carson
Manager of Finance and Accounting



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

December 16, 1999

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY. 40447

RE: Case No. 1999-390
JACKSON ENERGY COOPERATIVE

The Commission staff has reviewed your response of November 3, 1999 and has determined that your application in the above case now meets the minimum filing requirements set by our regulations. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further information, please contact my staff at 502/564-3940.

Sincerely,

Stephanie J. Bell
Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

JACKSON ENERGY



COOPERATIVE

US HWY 421S • PO Box 307, McKee, Kentucky 40447

Telephone (606) 287-7161 • Fax (606) 287-7168

FILED

NOV 03 1999

**PUBLIC SERVICE
COMMISSION**

RECEIVED

SEP 17 1999

**PUBLIC SERVICE
COMMISSION**

September 16, 1999

Ms. Helen C. Helton
Executive Director
Public Service Commission
PO Box 615
Frankfort KY 40602

CASE 99-3910

Dear Ms. Helton:

Enclosed is an original and ten copies of Jackson Energy Cooperative's Notice for Authority to Adjust Rates. This notice pertains to miscellaneous charges. Jackson Energy Cooperative would like to implement these changes on November 1, 1999. Please let us know if you need additional information. Thank you for consideration of this request.

Sincerely,

Sharon K. Carson

Sharon K. Carson
Manager of Finance and Accounting

Enclosures



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

December 2, 1999

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY. 40447

RE: Case No. 1999-390

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF ADJUSTMENT OF)
MISCELLANEOUS CHARGES FILING OF) CASE NO. 99-390
JACKSON ENERGY COOPERATIVE)

O R D E R

On September 17, 1999, Jackson Energy Cooperative ("Jackson Energy") applied to the Commission for authority to revise its tariffs and increase its miscellaneous charges effective November 1, 1999. On October 19, 1999, the Commission issued a letter finding the filing deficient in certain areas. On November 3, 1999, Jackson provided the information necessary to cure the deficiencies and the application was deemed "filed" as of that date. Therefore, the earliest possible effective date for the revised tariffs is December 3, 1999.

The Commission finds that further investigation is necessary to determine the reasonableness of the revised tariffs, and that such investigation cannot be concluded prior to December 3, 1999. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the revised tariff for 5 months up to and including May 2, 2000.

IT IS THEREFORE ORDERED that Jackson Energy's revised miscellaneous charges tariff is suspended up to and including May 2, 2000.

Done at Frankfort, Kentucky, this 2nd day of December, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

December 13, 1999

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY. 40447

RE: Case No. 1999-390

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF JACKSON ENERGY)
COOPERATIVE FOR APPROVAL OF) CASE NO. 99-390
AN ADJUSTMENT TO ITS)
MISCELLANEOUS CHARGES)

O R D E R

IT IS ORDERED that Jackson Energy Cooperative ("Jackson") shall file an original and ten copies of the following information with the Commission with a copy to all parties of record. Each copy of the information should be placed in a bound volume with each item tabbed. When a response requires multiple pages, each page should be appropriately indexed, for example, Item 1(a), page 2 of 4. With each response, include the name of the person who will be responsible for responding to questions related thereto. Careful attention should be given to copied material to ensure that it is legible. The information shall be filed within ten days from the date of this Order.

1. Refer to Exhibit 2, page 2 of 3 of Jackson's application.
 - a. Provide the source for the number of minutes and mileage amounts used to calculate the charges. Provide a detailed explanation and workpapers to support the calculations.
 - b. Explain the source of the percentages used in "Other Costs Based on Labor." Provide a dollar amount for each category of cost.
 - c. Explain how the \$.35 per mile charge was computed.

d. Explain why the Overtime Charge for "Office Clerical" under Meter Reading, Collection, Disconnect-Reconnect Charges includes Direct Wage Expense and Other Direct Cost while the Overtime calculation for the "Serviceman" does not include these charges.

2. Refer to Exhibit 2, page 2 of 3, Inspection Charges in the Meter Reading, Collection, Disconnect-Reconnect Charge.

a. Are inspection services offered by any other company or electrician in the area?

b. If this service is not a monopoly service offered by the utility, does Jackson want to continue including this charge in its tariff?

3. Refer to the copy of the notice in Kentucky Living supplied with Jackson's response dated October 29, 1999. The Inspection Charge does not appear in the Kentucky Living notice nor does the Return Check Charge dollar increase and percentage increase match the application. Explain which information is correct.

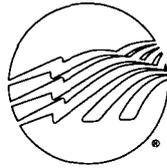
Done at Frankfort, Kentucky, this 13th day of December, 1999.

By the Commission

ATTEST:


Executive Director

JACKSON ENERGY



COOPERATIVE

US HWY 421S • PO Box 307, McKee, Kentucky 40447

Telephone (606) 287-7161 • Fax (606) 287-7168

October 29, 1999

Stephanie Bell
Secretary of the Commission
Public Service Commission
PO Box 615
Frankfort KY 40602

RECEIVED
NOV - 3 1999
PUBLIC SERVICE
COMMISSION

Dear Ms. Bell:

This letter is in regard to your October 19, 1999, letter regarding Case No. 99-390 in which you identified a filing deficiency of an "impact statement identifying group of customers (both existing and potential) affected by the proposed change". Jackson Energy Cooperative's impact statement is included as Exhibit 3.

The letter also asked for a copy of the Notice to the Public published in Kentucky Living magazine. This notice is attached. Also, as requested, 10 copies of Exhibit 3 and the notice published in the magazine, are included with this mailing.

Sincerely,

Sharon K. Carson

Sharon K. Carson
Manager of Finance and Accounting

Enclosures

Computation of Miscellaneous and Non Recurring Charge limitation amount:

Other electric revenues	\$855,330
Percentage limitation	<u>5%</u>
Limitation amount	<u>\$42,767</u>
Proposed additional revenues	<u>\$55,476</u>

RECEIVED
 NOV - 3 1999
 PUBLIC SERVICE
 COMMISSION

	<u>Existing</u>	<u>Proposed</u>
Net margins	\$1,885,318	\$1,940,794
Interest on long-term debt	3,394,447	3,394,447
TIER	<u>1.56</u>	<u>1.57</u>

As indicated by the results of the increases to the miscellaneous charges, the effect on the TIER is only minimal and the proposed TIER has not changed.

SPOTLIGHT

is a publication of
Jackson Energy, McKee.
Karen Combs, CREC, Editor.

A Touchstone Energy* Partner 

OUR MISSION

"To be a consumer driven electric cooperative, responsive to and consistently excelling at meeting member needs and services that improve the quality of life."

BOARD OF DIRECTORS

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Fred Brown, Vice Chairman
Edward Stamper, Sec.-Treasurer
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Dale Madden, Steve Patton Jr.,
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Jim Hays III
J. Warren Keller, Attorney

PRESIDENT & GENERAL MANAGER

Douglas P. Leary

MAIN OFFICE ADDRESS -

HWY 421 South, P.O. 307
McKee, Kentucky 40447

INTERNET & E-MAIL ADDRESS -

www.jacksonenergy.com

REGULAR OFFICE HOURS -

Main Office & London Branch
Monday-Friday, 7:30 a.m.-4:30 p.m.

CONSUMER SERVICES -

Headquarters - 287-4111
Or Toll Free 1-800-262-7480
London - 864-2363 or 1-800-851-6008

EMERGENCY OUTAGE CALLS

287-7322 or 1-800-284-7322
London - 864-2363 or 1-800-284-7322

PAY STATIONS

Price Less Foods, Irvine
Manchester Sales & Service, Manchester
Carter's Market, Mt. Vernon
Jack's Supermarket, Beattyville
Shop Wise, Booneville
Turner's General Store, Sand Gap
Town & Country Market, Annville
East 80 Grocery, London
Proffitt's Food Market, London

LEGAL NOTICE



NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member-consumers of Jackson Energy Cooperative Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on November 1, 1999, Case No. 99-390. This Adjustment will result in rate increases to certain member-consumers of Jackson Energy Cooperative Corporation. The amount and percent of increase by rate class are listed below:

Rate Class	Dollar Increase	Percent of Increase
Return Check	\$13,620	67%
Connect & Reconnect	\$ 6,240	20%
Special Charge	\$30,210	20%
Overtime Charge	\$ 900	33%
Meter Test	\$ 420	29%

The present and proposed rate structures of Jackson Energy Cooperative Corporation are listed below:

Rate Class	Present	Proposed
Return Check	\$5	\$18
Connect & Reconnect	\$20	\$25
Special Charge	\$20	\$25
Overtime Charge	\$40	\$60
Meter Test	\$25	\$35

The rates contained in this notice are the rates proposed by Jackson Energy Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed rate changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by Jackson Energy Cooperative Corporation by contacting:

Douglas P. Leary
President & General Manager
Jackson Energy
Cooperative Corporation
Highway 421 South
PO Box 307
McKee, Kentucky 40447
Phone: (606) 287-7161

Any person may examine the rate application and any other filings made by Jackson Energy Cooperative Corporation at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:

Kentucky Public
Service Commission
730 Schenkel Lane
PO Box 615
Frankfort, Kentucky 40602
Phone: (502) 564-3940

Editor's Note: This legal notice refers only to fees charged by Jackson Energy, not the electric rates charged for kilowatt-hour usage.



SPOTLIGHT

Published by Jackson Energy Cooperative • Serving Members In Southeastern Kentucky • A Touchstone Energy* Partner 

*Preserving
Julia's cabin*

Lakes Creek Bed & Breakfast

page 3A

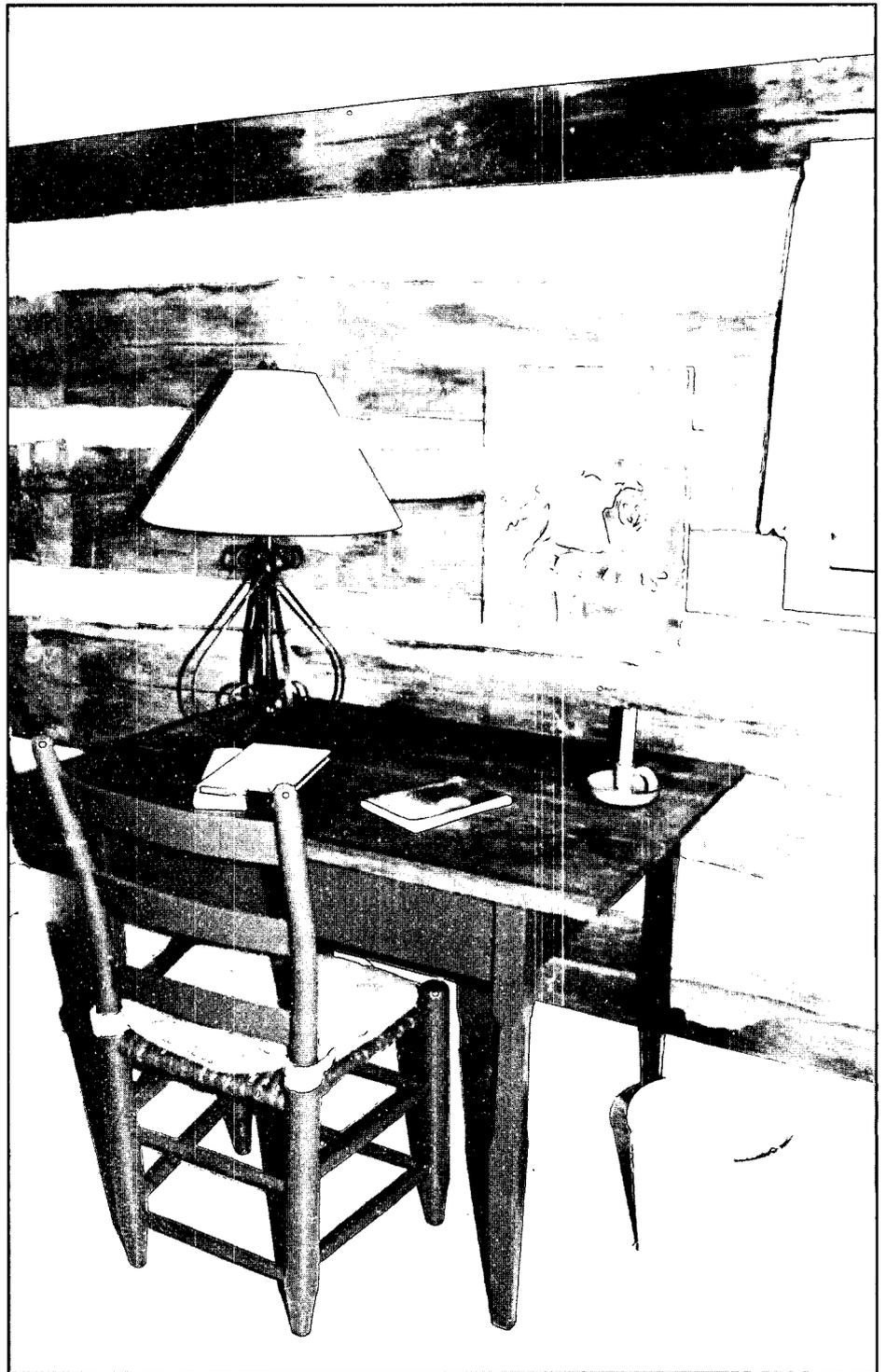
page 4A

Our EC Home Improvement program is an easy way to finance a new heating system

Jackson Energy—
Ready for Y2K

■ Did you know ...

Lakes Creek Bed & Breakfast is situated on 300 scenic acres and features hiking trails, fishing, and a relaxing getaway.



A DESK THAT belonged to former resident Julia Lakes Isaacs sits near a window in an upstairs bedroom at the Lakes Creek Bed & Breakfast near McKee. The two-story log cabin was built in 1894 by Elihu Lakes.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

October 19, 1999

Sharon K. Carson
Jackson Energy Cooperative
P.O. Box 307
U.S. Highway 421S
McKee, KY 40447

Re: Case No. 99-390
Filing Deficiencies

Dear Ms. Carson:

The Commission staff has conducted an initial review of your filing in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, as it is deficient in certain filing requirements. The items listed below are either required to be filed with the application or must be referenced if they are already on file in another case or will be filed at a later date.

Filing deficiencies pursuant to 807 KAR 5:011, Section 10(1)(d):

Impact statement identifying group of customers (both existing and potential) affected by proposed change.

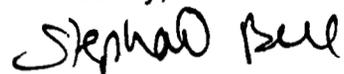
In addition to the information cited in the deficiency checklist, please provide a copy of the Notice to the Public published in Kentucky Living magazine.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You



are requested to file 10 copies of this information within 15 days of the date of this letter. If you need further information, please contact Dawn McGee of my staff at (502) 564-3940, ext. 243.

Sincerely,



Stephanie Bell
Secretary of the Commission

sa





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 21, 1999

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY. 40447

Honorable Ben Chandler
Attorney at Law
Office of the Attorney General
1024 Capital Center Drive
Frankfort, KY. 40601

RE: Case No. 99-390
JACKSON ENERGY COOPERATIVE
(Rates - General)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received September 17, 1999 and has been assigned Case No. 99-390. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell

Stephanie Bell
Secretary of the Commission

9/30:
I delete AG
from service
list.

SB
9/30.

SB/jc

JACKSON ENERGY

US HWY 421S • PO Box 307, McKee, Kentucky 40447



COOPERATIVE

Telephone (606) 287-7161 • Fax (606) 287-7168

FILED

NOV 03 1999

PUBLIC SERVICE
COMMISSION

RECEIVED

SEP 17 1999

PUBLIC SERVICE
COMMISSION

September 16, 1999

Ms. Helen C. Helton
Executive Director
Public Service Commission
PO Box 615
Frankfort KY 40602

CASE 99-3910

Dear Ms. Helton:

Enclosed is an original and ten copies of Jackson Energy Cooperative's Notice for Authority to Adjust Rates. This notice pertains to miscellaneous charges. Jackson Energy Cooperative would like to implement these changes on November 1, 1999. Please let us know if you need additional information. Thank you for consideration of this request.

Sincerely,

Sharon K. Carson

Sharon K. Carson
Manager of Finance and Accounting

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 17 1999

PUBLIC SERVICE
COMMISSION

In the Matter of:

JACKSON ENERGY COOPERATIVE)
CORPORATION THAT ON NOVEMBER 1, 1999,)
IT WILL ADJUST ITS MISCELLANEOUS)
CHARGES)

CASE NO. 99-390

NOTICE FOR AUTHORITY TO ADJUST RATES

1. Jackson Energy Cooperative Corporation (herein called Jackson Energy), whose address is Highway 421 South, P.O. Box 307, McKee, Kentucky 40447, hereby files notice of its intent to adjust the miscellaneous charges on November 1, 1999, or such other time as the Commission allows.

2. This notice and the rate increase sought by Jackson Energy are authorized and provided for by KRS 807 KAR 5:011, Section 10 and other related sections of Kentucky Administrative Regulations.

3. The Applicant is a corporation, and a certified copy of the Articles of Incorporation have been filed in Case No. 93-088, and are incorporated in this filing by reference.

4. A copy of the Notice to Public, with the existing and proposed rates and charges is attached as Exhibit 1, to be included in Jackson Energy's insert in the November, 1999, issue of the Kentucky Living magazine.

5. The effective date for the miscellaneous charges will be at such time as the Commission allows. Jackson Energy requests that the rates be effective November 1, 1999.

6. A copy of this application and all exhibits are being filed with the Attorney General office at:

Ben Chandler III, Attorney General
Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40601

7. The cost justification for each rate change and a full description of the equipment and services is attached as Exhibit 2.

8. Jackson Energy filed its last general rate increase in 1993, in Case No. 93-088. Due to the time constraints and efforts made to obtain information for that filing, the review of the miscellaneous charges was omitted from that case. When the current management of Jackson Energy examined these rates and charges, it was determined that the cost to provide miscellaneous charges was substantially more than the revenues generated. It could be possible to defer these proposed changes to the next general rate increase, however, since the cost to provide these services is more than the revenues received, this reduces the financial stability of Jackson Energy by delaying implementation of these rates and charges. In the event that Jackson Energy files a general rate increase, these charges will be normalized to give effect as if they were in effect for the entire test year.

Jackson Energy has entered into a Settlement Agreement with the Commission to refund to its members all margins in excess of a 2.0 TIER. Any margins generated by this increase in miscellaneous charges will be refunded if it generates more than a TIER of 2.0 in accordance with the terms of that Settlement Agreement.

9. An impact statement is attached as Exhibit 3.

10. An income statement and balance sheet for the year ended December 31, 1998 is attached as Exhibits 4 and 5.

11. A statement showing that the additional revenues generated by the proposed rates and charges is less than 5% of all miscellaneous and non-recurring charges is attached as Exhibit 6.

Jackson Energy Cooperative Corporation



Douglas P. Leary
President & General Manager

September 5, 1999

enclosures

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member-consumers of Jackson Energy Cooperative Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on November 1, 1999, Case No. 99-_____. This Adjustment will result in rate increases to certain member-consumers of Jackson Energy Cooperative Corporation. The amount and percent of increase by rate class are listed below:

<u>Rate Class</u>	<u>Dollar Increase</u>	<u>Percent of Increase</u>
Return Check	\$17,706	72%
Connect and Reconnect	\$6,240	20%
Special Charge	\$30,210	20%
Overtime Charge	\$900	33%
Meter Test	\$420	29%
Inspections	\$0	0%

The present and proposed rate structures of Jackson Energy Cooperative Corporation are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Return Check	\$5	\$18
Connect and Reconnect	\$20	\$25
Special Charge	\$20	\$25
Overtime Charge	\$40	\$60
Meter Test	\$25	\$35
Inspections	\$25	\$35

The rates contained in this notice are the rates proposed by Jackson Energy Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed rate changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by Jackson Energy Cooperative Corporation by contacting:

Douglas P. Leary, President & General Manager
 Jackson Energy Cooperative Corporation
 Highway 421 South
 P.O. Box 307
 McKee, Kentucky 40447
 Phone: 606-743-7161

Any person may examine the rate application and any other filings made by Jackson Energy Cooperative Corporation at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:

Kentucky Public Service Commission
 730 Schenkel Lane
 P.O. Box 615
 Frankfort, Kentucky 40602
 Phone: 502-564-3940

Jackson Energy Cooperative Corporation
 Miscellaneous Charges
 December 31, 1998

Exhibit 2
 page 1
 of 3

Direct Wage Expense:

	<u>Hours</u>	<u>Percent</u>
Total hours	2,080	100.00%
Average vacation	120	5.77%
Holidays	56	2.69%
Sick leave days	96	4.62%
	<hr/>	
Hours worked	<u>1,808</u>	<u>86.92%</u>

For every \$100.00 of labor paid, \$86.92 is paid for work and \$13.08 is paid for non-working hours. The allocation for Office and Service employees is as follows:

	<u>Hourly Rate</u>	<u>Percent</u>	<u>Non-Working Hourly Amount</u>
Accounting	\$15.44	13.08%	\$2.02
Service	\$19.49	13.08%	\$2.55
Office clerical - cashiers	\$13.03	13.08%	\$1.70
Metering person	\$13.77	13.08%	\$1.80

Other Costs Based on Labor:

	<u>Percent of Labor</u>
Retirement	8.08%
FICA	7.65%
Federal and state unemployment	0.12%
Worker's compensation insurance	0.25%
	<hr/>
Total	<u>16.10%</u>

Other Direct Costs:

Health insurance per month	\$663.43	\$7,961
Hours worked		<hr/> 1,808
Per hour amount		<hr/> <u>\$4.40</u>

Jackson Energy Cooperative Corporation
 Miscellaneous Charges
 December 31, 1998

Exhibit 2
 page 2
 of 3

Return Check Charge:

	<u>Estimated Hours</u>	<u>Per Hour</u>	<u>Amount</u>
Number of Minutes	<u>40</u>		
Direct labor charge	66.7%	\$15.44	\$10.29
Direct wage expense	66.7%	\$2.02	1.35
Other cost based on labor	\$15.44 66.7%	16.10%	1.66
Other direct cost per hour	66.7%	\$4.40	2.94
Bank charge			<u>2.00</u>
Total charges			<u><u>\$18.23</u></u>
Proposed charge			<u><u>\$18.00</u></u>

Meter Reading, Collection, Disconnect-Reconnect Charge:

	<u>Per Hour</u>	<u>Connect/ Reconnect</u>	<u>Special Charge</u>	<u>Overtime</u>	<u>Meter Tests</u>	<u>Inspection</u>
Serviceman:						
Number of minutes		<u>30</u>	<u>30</u>	<u>75</u>	<u>60</u>	<u>45</u>
Direct labor charge	\$19.49	\$9.75	\$9.75	\$36.54		\$19.49
Direct labor charge - meter tests	\$13.77				\$13.77	
Direct wage expense	\$2.55	1.27	1.27		2.55	1.91
Other cost based on labor	16.10%	1.57	1.57	5.88	2.22	3.14
Other direct cost	\$4.40	2.20	2.20		4.40	2.20
Mileage	<u>15</u>	\$0.35	5.25		5.25	5.25
Mileage	<u>30</u>	\$0.35		10.50		
Office Clerical:						
Number of minutes		<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Direct labor charge	\$13.03	\$4.34	\$4.34	\$4.34	\$4.34	\$4.34
Direct wage expense	\$1.70	0.57	0.57	0.57	0.57	0.57
Other cost based on labor	16.10%	0.70	0.70	0.70	0.70	0.70
Other direct cost	\$4.40	1.47	1.47	1.47	1.47	1.47
Total		<u>\$27.12</u>	<u>\$27.12</u>	<u>\$60.01</u>	<u>\$35.27</u>	<u>\$39.07</u>
Proposed Charge		<u>\$25.00</u>	<u>\$25.00</u>	<u>\$60.00</u>	<u>\$35.00</u>	<u>\$35.00</u>

Additional Revenues Generated:

	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
Return check	1,362	\$5.00	\$18.00	\$6,810	\$24,516	17,706	72%
Connect and reconnect	1,248	\$20.00	\$25.00	24,960	31,200	6,240	20%
Special charge	6,042	\$20.00	\$25.00	120,840	151,050	30,210	20%
Overtime	45	\$40.00	\$60.00	1,800	2,700	900	33%
Meter test	42	\$25.00	\$35.00	1,050	1,470	420	29%
Inspections	0	\$25.00	\$35.00	0	0	0	0%
Total				\$155,460	\$210,936	\$55,476	26%

Jackson Energy Cooperative Corporation
Income Statement
December 31, 1998

Exhibit 4
page 1
of 1

Operating Revenues:

Electric revenues	\$42,850,989
Other electric revenues	<u>855,330</u>
	<u>43,706,319</u>

Operating Expenses:

Cost of power	26,396,134
Distribution - operations	1,693,041
Distribution - maintenance	3,290,695
Consumer accounts	1,541,079
Customer service and information	449,452
Administrative and general	<u>1,715,777</u>
	35,086,178

Depreciation	3,026,881
Tax expense - other	53,384
Interest on long-term debt	3,394,447
Other interest charges	729,865
Other deductions	<u>5,830</u>
	<u>42,296,585</u>

Patronage capital	1,409,734
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Non operating margins - interest	173,343
Income (loss) from equity investments	(8,152)
G & T capital credits	-
Non operating margins - other	26,409
Other capital credits	<u>283,984</u>

Net margins	<u><u>\$1,885,318</u></u>
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Jackson Energy Cooperative Corporation
Balance Sheet
December 31, 1998

Exhibit 5
page 1
of 1

Assets

Electric Plant:	
In service	\$106,079,252
Under construction	3,081,994
	<hr/>
	109,161,246
Less accumulated depreciation	6,010,995
	<hr/>
	103,150,251
	<hr/>
Investments	10,608,126
	<hr/>
Current Assets:	
Cash and cash equivalents	1,236,881
Accounts receivables	9,209,196
Material and supplies	748,702
Prepayments	82,043
	<hr/>
	11,276,822
	<hr/>
Deferred Charges	34,543
	<hr/>
Total Assets	<u>\$125,069,742</u>

Liabilities and Equities

Members' Equities:	
Memberships	\$1,222,515
Patronage capital	35,156,504
Other equities	406,129
	<hr/>
	36,785,148
	<hr/>
Long-Term Debt	69,004,229
	<hr/>
Accumulated Operating Provisions	2,727,438
	<hr/>
Current Liabilities:	
Short term debt	7,900,000
Accounts payable	4,209,221
Consumer deposits	2,445,701
Other current and accrued expenses	1,694,867
	<hr/>
	16,249,789
	<hr/>
Consumer Advances for Construction	303,138
	<hr/>
Total Members' Equities and Liabilities	<u>\$125,069,742</u>

Computation of Miscellaneous and Non Recurring Charge limitation amount:

Other electric revenues	\$855,330
Percentage limitation	<u>5%</u>
Limitation amount	<u>\$42,767</u>
Proposed additional revenues	<u>\$55,476</u>

	<u>Existing</u>	<u>Proposed</u>
Net margins	\$1,885,318	\$1,940,794
Interest on long-term debt	3,394,447	3,394,447
TIER	<u>1.56</u>	<u>1.57</u>

As indicated by the results of the increases to the miscellaneous charges, the effect on the TIER is only minimal and the proposed TIER has not changed.